

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3783-06  
Bill No.: Truly Agreed to and Finally Passed SCS for HCS for HB 1177  
Subject: Agriculture and Animals; Agriculture Dept.  
Type: Original  
Date: May 26, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
NRPF - Water Permit Fees	\$150	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$150</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Department of Agriculture** and **Department of Health and Senior Services** assume no fiscal impact to their agency.

Officials from the **Department of Natural Resources** assume this bill would allow any county, township, or other form of local government to impose regulations or local controls on the establishment, permitting, design, construction, operation, and management of any class I or II concentrated animal feeding operation. Those regulations or local controls may be stricter than what is in the state statute only if such controls are based on reasonably available empirical peer reviewed scientific and economic data that clearly documents the need and cost effectiveness. Since this provision does not change the department's authority, no fiscal impact.

It also decreases the number of nursery pigs animal units needed to be classified as CAFO. The department assumes that one operation would be required to obtain a general permit resulting in revenues to the NRPF-Water Permit Fees of \$150.

Only new operations, new lagoons or increases in the housing capacity at existing operations would need to give notice prior to applying for a construction permit. One of the many permit application criteria the department verifies is compliance with the public notification. In

ASSUMPTION (continued)

addition, the department assumes that the level of comments from the public would not change as a result of this provision. Therefore, the department will not be fiscally impacted from this proposal.

In addition, the proposed legislation changes the definition of a “flush system”. This change does not affect any of the facilities currently regulated under this legislation. Therefore, the department will not be impacted by this provision.

The proposal changes the frequency of the owner or operator to inspect the structural integrity of any lagoon from at least every twelve hours for all lagoons to at least every twelve hours for only lagoons with a water level less than eighteen inches below the emergency spillway. Since this provision does not change the department’s authority, the department will not be impacted.

The proposed legislation allows the department to designate an animal feeding operation as a concentrated animal feeding operation if it is determined to significantly pollute the waters of the state. Under the current Clean Water Commission’s powers and duties, the department has the authority to require any facility that is determined to be significantly polluting the waters of the state to obtain a permit. Therefore, this provision would not impact the department.

The proposal excludes agricultural storm water discharges and return flows from irrigated agriculture from the point and water containment source definition. The department currently does not view these type of activities as point source, therefore this change would not impact the department.

Section 644.051

Notice of violations shall not be issued for certain accidental or unintentional releases for water contaminants. The department would not anticipate a direct fiscal impact as a result of the changes in this section.

In addition, the department assumes there will be challenges to the interpretation of the changes made to the definitions and their impact to our department’s authority. The department is unable to determine the legal costs associated with these challenges.

**Oversight** assumes there may be unknown costs if the governing body would seek to impose more restrictive controls and receives a recommendation from the water conservation district

ASSUMPTION (continued)

board. **Oversight** assumes there would administrative impact to determine the geological, environmental and economic impact of the more restrictive controls. **Oversight** does not know how many requests would be made of soil and conservation district boards in a given year.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<b>NRPF - WATER PERMIT FEES</b>			
<u>Revenue</u> - NRPF - Water Permit Fees	<u>\$150</u>	<u>\$0</u>	<u>\$0</u>
Total	<u>\$150</u>	<u>\$0</u>	<u>\$0</u>
<b>NET ESTIMATED IMPACT NRPF - WATER PERMIT FEES</b>	<b><u>\$150</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes, Class IB and IC would not have to notify the department, county government and all adjoining property owners within specified distances prior to filing an application to acquire a construction permit.

DESCRIPTION

This bill modifies the statutes on concentrated animal feeding operations (CAFO) making Missouri's regulations consistent with federal regulations. The bill:

- (1) Requires the Missouri Clean Water Commission to promulgate rules regulating the establishment, permitting, design, construction, operation, and management of CAFOs;
- (2) Requires that regulatory or local controls imposed by any form of local government concerning the establishment, permitting, design, construction, operation, and management of an animal feeding operation must be consistent with the provisions of the bill. Local governing bodies, however, may impose controls if prior to imposing the controls, a recommendation based on peer-reviewed scientific and economic data clearly documenting the geological,

DESCRIPTION (continued)

environmental, and economic impact of the controls is requested from the respective soil and water district board. If no recommendation is received within 180 days of the request, the local governing body may impose the more restrictive controls;

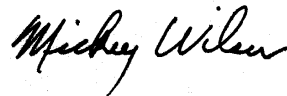
(3) Permits the Department of Natural Resources to designate an animal feeding operation as a CAFO if it is determined to be a significant contributor of pollutants to the waters of the state; and

(4) Clarifies that the terms "point source" and "water contaminant source" as defined for the purposes of the Missouri Clean Water Law are not to include agricultural storm water discharges and return flows from irrigated agriculture.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture  
Department of Natural Resources  
Department of Health



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Director  
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